

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7598**

**BILL NUMBER:** HB 1487

**NOTE PREPARED:** Jan 6, 2005

**BILL AMENDED:**

**SUBJECT:** Health Benefit Mandate Option.

**FIRST AUTHOR:** Rep. Behning

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to provide a policy or contract without complying with all health benefit mandates.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The proposal pertains to an individual contract or employers that employ not more than 75 employees, so it would not have an impact on the state.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The proposal could affect expenditures of those local units and school corporations that employ not more than 75 employees and that purchase group insurance or HMO coverage. The impact will depend on the number of employers opting to contract for a policy that does not comply with all health benefit mandates. It is unknown if local units would absorb any savings, if any, or pass the savings on to employees, as cost sharing of health benefit premiums varies widely by locality.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local units of government and school corporations that employ not more than 75

employees and that purchase group insurance or HMO coverage .

**Information Sources:**

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.